


Another try at tax reform

Sunapee rep. to file bill changing county assessment method

By **MATTHEW McCORMICK**
Staff Writer

Sunapee officials in 2007 again will take their case for county tax reform to the state Legislature, hoping a measure sponsored by newly elected Democratic state Rep. Sue

 **Sunapee** Gottling will cut the town's bill to Sullivan County by more than \$1.3 million.

"It reflects the thinking of the selectmen of Sunapee," Gottling said of the legislative service request she has filed with the state. "It was something that I said that I would do and so I'm doing it."

Gottling's legislation largely would resurrect a bill introduced by former state Rep. Harry Gale that called for capping the portion of county taxes paid by any one community at 2 percent above its share of county population.

See **TAXES** - Page A8

TAXES FROM PAGE A1

This year Sunapee paid \$2.2 million to the county, which is about a quarter of the \$9.2 million Sullivan County raised from property taxes, despite making up less than 8 percent of the county's population.

Town officials say that gap is even more poignant, considering that Sunapee receives under 2 percent of the dollars spent running facilities like the county jail and nursing home.

"Everyone realizes that Sunapee has more value than the rest of the towns in the county," Sunapee Selectman Stephen White said. "But there has got to be some way to make it fairer."

Under Gottling's measure, the town would pay \$875,000 in county taxes, leaving about \$1.3 million to be made up by other county cities and towns, including Claremont, Newport and Charlestown.

Those communities currently make up a combined 60 percent of the county population, but pay only a third of the Sullivan County budget.

Adding to their tax burden could make Sunapee's proposal

a tough sell to other county legislators, including state Rep. John Cloutier, D-Claremont.

"From all the evidence I have seen, my constituents would pay more," Cloutier said. "They would have a real problem with that, so I would have a problem with it."

Though that was the general reaction to Gale's proposal, which died in committee, Selectman Bill Roach said this year's bill may be more palatable to state lawmakers because it eliminates a clause he called the "death blow" to last year's legislative effort.

Gale's language guaranteed that any gap between a county's budget and funding from towns created by the cap would be made up by the state, an addition to New Hampshire's financial responsibilities that Roach said few, if any, legislators would support.

But removing that pledge raises a question that County Manager Ed Gil de Rubio said makes the town's new plan even less appealing than Gale's proposal.

"What happens to the amount of money that goes over these caps?" he asked.

The county budget, he said, has been getting leaner and leaner every year, dropping some \$600,000 from five years ago and leaving him less and less room for the potential shortfalls that Sunapee's proposed tax reform would create.

But opposition to the plan runs deeper than fear of uncertainty or increased tax burdens. Until the New Hampshire tax system is reformed as a whole and its reliance on real estate levies addressed, Cloutier said situations like the one in Sunapee will not truly be solved.

And town officials do not disagree.

Roach said an over-reliance on the property tax has created a situation where New Hampshire passes unfunded mandates that end up trickling down to municipalities. The state, he said, appoints judges who sentence offenders to prison based on state law, yet it is the counties who are asked to foot the bill.

"We have these people preaching no new taxes ... but nobody talks about what the state does in passing costs down to the counties and towns," Selectman Richard Leone said.

But with Gov. John Lynch and a slew of newly-elected legislators committed to the pledge not to support broad-based taxes, Leone said working with-

in the current tax system is the only viable option open to the town.

"The psyche of the state is against (an income tax)," he said. "I wouldn't even go there."

Even if the state eventually does take that path, though, state Rep. Brenda Ferland, D-Acworth, said Sunapee residents still will have to keep one

thing in mind: taxes are inherently unfair.

"Most of us don't have children in the school system, but we are still paying big bucks for that," she said. "Nobody gets what they pay for."

Matthew McCormick can be reached at mccormick@eagletimes.com or (603) 543-3100, ext. 104.